

## **CHARACTERISTICS OF JOINT OPERATION AGREEMENT (JOA) IN THE PROVISION OF INFRASTRUCTURE**

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### **ABSTRACT**

Infrastructure is among the important part of the advancement of a country. With adequate infrastructure, the economy will grow faster due to cheaper, easier and more efficient flow of trade transactions. To develop infrastructure requires huge funds, but the government has limited funds to do so. One way the government can use to overcome the problem is to allow the private sector to participate in infrastructure development. Completion of infrastructure projects constitutes a demanding task, requiring expertise, experience and capital adequacy. To that end, the private sector always involves multiple parties in a partnership set out in a contract known as the Joint Operation Agreement (JOA).

The legal basis for the JOA is the principle of freedom of contract in which the parties to the contract are free to determine the content of the agreement, provided that it does not conflict with law, custom and propriety. In practice, it is possible that there are parties who cannot perform or fulfill the obligations contained in the contract. This could definitely lead to cessation of the infrastructure projects in progress, which is detrimental to the government and the public at large as infrastructure users. Hence, in anticipation of losses that will occur with the research methods that focus on the approach of legislation, concepts and comparisons are expected to strengthen the argument need their strict rules and specific rules governing the JOA in the provision of infrastructure, both in the stages of formation and execution of the contract, so that infrastructure projects can be completed in accordance with the timeframe and conditions required in the contract.

Key words : Infrastructure, Joint Operation Agreement (JOA), Liability